

ABSTRACT OF THE DISCLOSURE

5 A marine stern drive and multi-speed transmission propulsion system in which a transmission, either manual or automatic, is interposed between the engine and stern drive extending at least partially outboard of the transom. A stern drive extension housing enclose the outboard transmission. The various embodiments may include automatic shifting, torque-absorbing couplings, dry oil sump and misalignment couplings. The system may be provided as an OEM item or as a retrofit and allows the engine to be maintained in its normal or original position thus enhancing the performance characteristics of the boat. The stern drive has forward, reverse and neutral shifting capabilities.